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ECONOMIC DEFENSE INTELLIGENCE COMMITTEE

Intelligence Request No. 20
Control No. 2211
31 January 1956

SUBJECT

Bauxite Shipments from the Free World to the Sino-Soviet Bloc

REQUESTING AGENCY AND DATE

CIA, 20 January 1956

DEADLINE FOR RECEIPT OF INFORMATION

As soon as possible

PROPOSED USE

To determine the magnitude and importance of present and probable future shipments of bauxite from the free world to the Sino-Soviet Bloc in connection with a study of the desirability of recommending a strategic rating for bauxite.

BACKGROUND

1. Sino-Soviet Bloc import requirements for bauxite from the Free World are expected to be very substantial in the next few years. The Soviet Union is currently dependent on imports for nearly half of its bauxite consumption. These imports are of considerable strategic significance when it is considered that as much as a ton of aluminum can be produced from four tons of bauxite and that Soviet production of bauxite is currently far less than consumption.

Soviet aluminum production under the Sixth Five Year Plan is scheduled to more than double by 1960 while the Plan calls for only a moderate increase in bauxite production. Aluminum facilities and associated electric power installations are currently undergoing a large-scale expansion, especially in the area near Irkutsk. Both Czechoslovakia and Poland, which lack native bauxite resources, have new facilities for producing primary aluminum. (Production of aluminum in the USSR in 1955 was about 500,000 tons, while the European Satellites produced approximately 85,000 tons).

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2. With the exception of Hungary, bauxite resources in the European Satellites and China could not add significantly to Bloc supplies. Hungary, which currently provides the USSR with most of its bauxite imports probably could not increase its exports to the USSR by more than 25 to 30 per cent.
3. Planned imports from the Free World (chiefly from Yugoslavia and Greece, which are the most likely Free World sources of additional Bloc supply) would provide a large part of Bloc availabilities.
 - a. (NOFORN) Prior to 1955, Greek exports of bauxite to the Soviet Union were negligible. In 1955, however, one Greek firm shipped 96,000 tons of bauxite to the Soviet Union and reportedly plans to offer 300,000 - 400,000 tons a year on a continuing basis. Another Greek firm has recently indicated an interest in making similar offers. Greek bauxite is of good quality, reserves appear adequate, and mining facilities and methods are capable of sustaining an annual export rate of 800,000 tons. The water route from Itea, Greece, to Soviet Black Sea ports provides low-cost transportation.
 - b. The Yugoslav-Soviet trade agreement, signed on 6 January 1956, provides for the export from Yugoslavia to the Soviet Union of 100,000 tons of bauxite and 2,000 tons of alumina in 1956. There are reports of recent Polish attempts to obtain Yugoslavian bauxite.
 - c. The 1955 COCOM quota for aluminum shipments to the Bloc from all Participating Countries was only 11,000 tons.

ACTION DESIRED

It is requested that EDIC members give consideration to the need for an intelligence study of the Bloc supply position with respect to bauxite.

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Acting Executive Secretary

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